



C9 HOTELWORKS

Tokyo

Ultra-Luxury Property Market Review

December 2023

Ultra-Luxury Unveiled: Tokyo's Opulent Real Estate Landscape

Branded Residences Elevating the Pricing of Residential Market

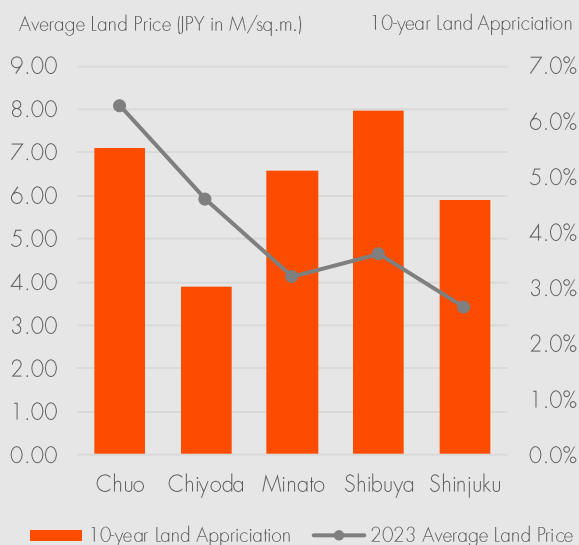
"In the heart of Tokyo, an extraordinary trend is reshaping the landscape of the real estate market. The ultra-luxury residential sector is achieving unprecedented sales, setting new records in pricing that defy conventional market norms. Tokyo has emerged as a global hub for opulent living, drawing the attention of discerning buyers worldwide as the city's skyline undergoes a transformative evolution.

Fueled by a convergence of economic factors, regional dynamics, and innovative architectural endeavors, Tokyo's ultra-luxury real estate market is experiencing a renaissance. While the demand for ultra-luxury units likely existed but remained dormant due to limited supply, the recent influx of these units into the market has awakened and invigorated the segment. Tokyo is metamorphosing into an exclusive playground for the elite, where luxury residences transcend mere physical structures, intertwining seamlessly with Tokyo's rich history, cutting-edge technology, and the perfect balance of tradition and modernity.

The influx of foreign investors has played a pivotal role in driving this demand, enticed by Tokyo's stability, economic growth, and the promise of substantial returns on investment. Moreover, Tokyo's luxury residences owe their success to visionary architects and developers who have pushed boundaries, creating masterpieces that redefine luxury living. Notable developments, such as Mori Building's Azabudai Hills and Mitsui Fudosan's Mita Garden Hills, showcase the city's commitment to unparalleled quality and potential.

As Tokyo continues its transformation, marked by large-scale redevelopment projects in areas like Toranomon and Azabu-

Tokyo Land Appreciation



Source: C9 Hotelworks Market Research and Ministry of Land, Infrastructure, Transport and Tourism

-dai, the ultra-luxury residential market is poised for further evolution. The city's stability, combined with its status as both an ultra-luxury residential hub and a sought-after luxury travel destination, fosters the increasing demand for high-end residential units. All these unfolding events and developments collectively sketch a promising outlook for the future of Tokyo's ultra-luxury residential market."

Bill Barnett, Managing Director, C9 Hotelworks



ULTRA-LUXURY PROPERTY OVERVIEW

Minato Ward: A Luxe Epicenter

Nestled along the shores of Tokyo Bay, Minato Ward emerges as a dynamic urban enclave renowned for its luxury residential neighborhoods. The key ultra-luxury residences developed in recent years are namely Mita Garden Hills, Toranomon Hills, and Azabudai Hills, which include the Aman Residences in Tokyo, contributing a total of 3,135 units. Minato Ward stands out with iconic landmarks such as Tokyo Tower and Rainbow Bridge, a notable cluster of foreign embassies, commercial complexes, luxury hotels, high-end condominiums, and international schools. The "3A" area in Minato, namely Azabu, Aoyama, and Akasaka, is the commonly referred luxury residential area in central Tokyo by locals, attracting discerning residents, including Japanese entrepreneurs, expatriates, and international professionals.



Source: C9 Hotelworks Market Research

Key Ultra-Luxury Residences

Low-rise Condo



The KITA

- No. of units: 12
- Unit types: 2 – 4 Bedrooms
- Sales price: USD 5 to 50 million
- Completion: 2020
- Developer: Westbank Corp
- Site area: 1,147.57 sqm
- Key selling point: partnered with architect Kengo Kuma and automobile maker RollsRoyce

MARQ Omotesando One

- No. of units: 14
- Unit types: 3 Bedrooms
- Sales price: USD 6.9 to 6.5 million
- Completion: 2021
- Developer: BPEA Real Estate
- Site area: 2,410.35 sqm
- Key selling point: located in the tourist hotspot – Harajuku

Mita Garden Hills

- No. of units: 1,005
- Unit types: 1 – 4 bedrooms
- Sales price: USD 0.9 – 2.8 million
- Completion: 2025
- Developer: Mitsui Fudosan
- Site area: 2.5 ha
- Key selling point: varied common facilities; concierge and dining services provided by Imperial Hotel

Mixed-use Complex



Toranomon Hills

- Site area: 7.5 ha
- Residential units: 730 units
- Office space: 305,000 sqm
- Retail space: 26,000 sqm
- Hotel: Andaz Tokyo and Hotel Toranomon Hills with total of 370 keys
- Conference area: 13,300 sqm
- Residences sales price: USD 30,500 – 44,700 per sqm
- Residences completion: 2022
- Developer: Mori Building

Azabudai Hills

- Site area: 8.1 ha
- Residential units: 1,400 units
- Office space: 214,500 sqm
- Retail space: 23,000 sqm
- Hotel: Janu Tokyo (122 keys)
- Residences sales price: USD 30,500 – 44,700 per sqm
- Residences completion: 2023
- Developer: Mori Building
- Aman Residences: Azabudai Hills and Aman have collaborated to offer an exclusive 91-unit residence in Tokyo, priced at around USD 49,912 per sqm, among the city's highest

Landed Property



N.001 Minami Aoyama

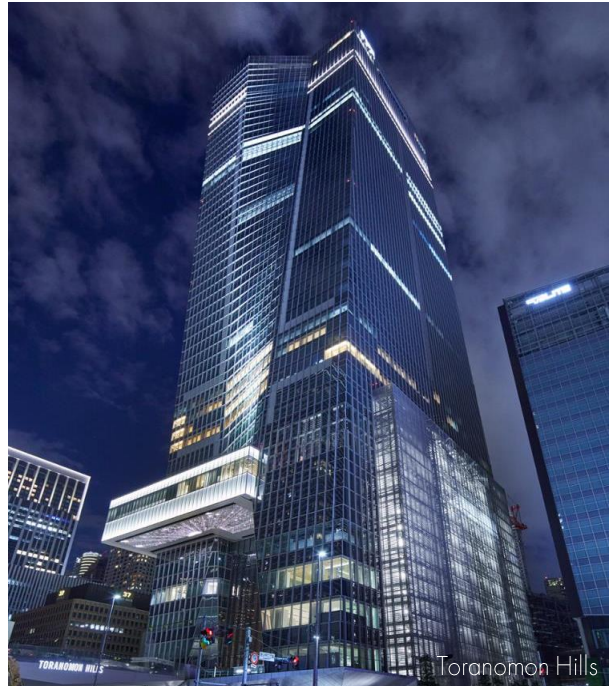
- Unit types: four-storey home
- Sales price: USD 20 million
- Completion: 2023
- Developer: Vibroa
- Site area: 1,005 sqm
- Key selling point: designed by Aston Martin

Buyer Profile: Shifting Dynamics

Tokyo's ultra-luxury real estate landscape is undergoing a notable transformation in its buyer demographics. A discernible influx of young tech entrepreneurs, particularly those recently steering their companies into the public domain, has become a prominent force within this exclusive market.

The evolving buyer profile extends further with the entrance of high-net-worth individuals from Hong Kong, Singapore, and Taiwan, reshaping the dynamics of luxury property transactions. Driven by a quest for portfolio diversification amid geopolitical uncertainties, these discerning buyers often opt for cash payments or secure low-interest loans from foreign banks boasting local branches. Japan's allure is heightened by its lenient restrictions on foreign property ownership and the added advantage of a depreciating yen.

In a strategic move, foreign investors, including those hailing from China, are redirecting their focus towards Japan's real estate sector amidst the prevailing downturn in China's property market. The challenges faced by China's real estate industry have prompted an outflow of affluent individuals, with indications pointing towards a sustained trend. Japan's unwavering stability, exceptional standard of living, and cultural opulence collectively contribute to its attractiveness. Tokyo's ultra-luxury segment, thereby, emerges as a pivotal chapter in the global real estate narrative. As Tokyo solidifies its position as a hub for foreign wealth, the city's real estate panorama stands poised for further evolution, potentially positioning itself as a prospective 'offshore' hub for wealth akin to the likes of Singapore.



Market Outlook

In conclusion, Tokyo's ultra-luxury property market is undergoing a remarkable transformation, fueled by ambitious developments and a confluence of local and international interests. As the city continues to evolve, its commitment to providing diverse, sophisticated living options positions Tokyo as a global leader in ultra-luxury real estate.



About C9 Hotelworks



BILL BARNETT MANAGING DIRECTOR

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- Hotel and Resort Development
- Mixed-Use Branded Residences Advisory
- Project Feasibility and Analysis
- Hotel Operator Search

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9Hotelworks the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has over 37 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.

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